



**BY HAND DELIVERY**

May 29, 2008

Michael Veit  
Contracts and Purchasing Section  
Arizona Health Care Cost Containment System  
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**Re: AHCCCS RFP No. YH09-0001**

Dear Mr. Veit:

As provided for in the Acute Care RFP, Southwest Catholic Health Network Corporation, dba Mercy Care Plan ("MCP" or "Mercy Care") hereby requests to have its enrollment capped in Pima County (GSA 10) and to continue to provide services to its members in Pima County under the terms and conditions of a new contract effective October 1, 2008. We accept the rate proposal you provided yesterday in your letter to our counsel, Charles Blanchard. At the appropriate time, we would like to clarify with you the scope of the members included in the cap. We would suggest, for example, that continuity of care would support including newborns of members, as well as members who lose eligibility for 90 days or less and then regain eligibility, be included in the eligibility cap.

Given MCP's mission driven, non-profit contribution to the southern Arizona healthcare community and long tenure in Pima County, and the nearly 40,000 MCP members in Pima County, we believe that it is in the best interests of the State to grant this request to ensure continuity of care (and no disruption) to these members, many of whom have received medical care through MCP for several years.

In your letter to Charles Blanchard, you requested information about the impact on our other lines of business in Pima County. If Mercy Care Plan is not awarded a capped contract in Pima County, it will negatively impact three lines of business. These lines of business include our Developmentally Disabled, Healthcare Group, and Medicare Advantage Prescription Drug Special Needs programs. We are concerned that the provider network in Pima County will dramatically shrink and critical services to our members in all three programs will be severely hampered.

Therefore, a capped contract will be vital for Mercy Care Plan to maintain all three of these programs in the County.

MCP has filed a bid protest for the decision not to award it a contract in Pima County. This request is made without prejudice to that bid protest. We believe that this bid protest has merit, and should be successful. We make this request now in light of the deadline that you communicated to Charles Blanchard. Our request for capped enrollment in Pima County need not be considered if our protest is successful.

We would be happy to provide you more detail on any of the issues discussed in this letter. If you have any questions about this request, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stan Aronovitch". The signature is fluid and cursive, with the first name "Stan" being more prominent.

Stan Aronovitch  
President & CEO